GOVERNMENT OF INDIA
PLANNING
LOK SABHA

UNSTARRED QUESTION NO:5709
ANSWERED ON:30.04.2003
UTILISATION OF FUNDS
SRIPRAKASH JAISWAL

Will the Minister of PLANNING be pleased to state:

(a) whether the Government provide grants to State Government to carry out projects in the health, welfare and other such sectors;

(b) if so, the criteria being followed in this regard;

(c) whether the Government have any mechanism to ensure that the grants so given are utilised for the said purpose;

(d) if so, the details of projects for which grants were given during the last three years to Uttar Pradesh and not fully utilized for the purpose for which these were given; and

(e) the steps taken by the Government to ensure that the grants given to the States are utilised properly?

Answer

THE MINISTER OF STATE FOR STATISTICS AND PROGRAMME IMPLEMENTATION, MINISTER OF STATE IN THE MI OF PLANNING AND MINISTER OF STATE IN THE DEPARTMENTS OF ATOMIC ENERGY & SPACE (SHRI S.B. MOOKHERJEE)

(a) & (b): Central Assistance for States is given in the uniform grant:loan ratio of 30:70 fornon-Special Category States and 90:10 for Special Category States. Outright grants havenot been given to States for carrying out projects in the health, welfare and other such sectors during the last three years 2000-01, 2001-02 and 2002-03. Outright plan grants are given mainly for development of specific areas which have special characteristics that need to be addressed through special allocation of plan funds. For example, grants are given for Border Area Development Programme for development blocks that have international land borders.

(c): There already exists constitutional mechanism to ensure the utilisation of funds by States for the purpose for which it is sanctioned. In accordance with the Article 151 of the Constitution, the Audit Reports in respect of financial transactions of the StateGovernments prepared by the Comptroller and Auditor General of India, which includesmatters like proper utilisation of funds and diversion of funds from the purpose for which they are sanctioned, is presented to the Vidhan Sabha and it stands referred to the PublicAccounts Committee in respect of Civil and Revenue Receipts. The GovernmentDepartments are then to submit suo motu Action Taken Notes on all Audit paragraphs and reviews to the Public Accounts Committee, duly vetted by Audit. The PublicAccounts Committee selects some of the paragraphs/reviews for detailed examination after which a report containing their observations and recommendations is presented to the Vidhan Sabha.

(d): No project specific grants have been given as central plan assistance to Uttar Pradeshduring the last three years, viz. 2000-01, 2001-02 and 2002-03.

(e): The guidelines on the implementation of the schemes for which grants are given provide for normal financial and audit procedure to be followed in order to ensure proper utilisation of funds. Planning Commission also conduct periodic evaluations ofprogrammes and has also decided to introduce from the Tenth Plan quarterly reviews of the financial and physical progress of plan schemes implemented by States.